



Denise Juneau, Superintendent
Montana Office of Public Instruction
P.O. Box 202501
Helena, Montana 59620-2501
In-State Toll-Free 1-888-231-9393, Local (406) 444-3095
www.opi.mt.gov

FY 2016 General Fund Budget Overview and Worksheets

This document and an Excel spreadsheet for calculating general fund limits are posted on the OPI website at <http://www.opi.mt.gov> under <School Finance>Budgets>Budgeting Spreadsheets/Worksheets/General Fund Budget Overview and Worksheets

This is an overview of general fund budgeting requirements for Montana school districts. It contains a narrative summary of laws and procedures for setting general fund budget limits and funding for the school year 2015-16.

<u>TIMELINE</u>	2
Timeline from March 1 through September 15, listing important deadlines related to financial reporting, elections, etc.	

OVERVIEW OF GENERAL FUND BUDGETING LAWS

Average Number Belonging (ANB)	4
Separate Budget Units	4
Basic Entitlement and Per-ANB Entitlement	5
Natural Resources Development Payment	5
Flexible Non-Voted Levy Authority	5
Additional Funding Components	6
State Funding For Special Education Costs	6
Establishing the BASE & Maximum General Fund Budgets	7
Funding the General Fund Budget	8
Guaranteed Tax Base Aid (GTB)	9
Operating Reserves and "Excess" Reserves	9
Budget Authority and Voter Approval	10
Distribution of Direct State Aid and GTB Payments	11
Budget Amendments	11
K-12 Districts	11
Status and ANB Changes	11

FY 2016 BUDGET LIMITS

Budget Limit Table	12
--------------------------	----

<u>WORKSHEETS</u>	
ANB Calculation	13
Basic Entitlement	16
Per-ANB Entitlement	17
ANB Funding	18
Special Education Funding and Budget	19
Maximum Budget Limit	20
BASE Budget Limit	21
Highest Levy Over-BASE Authorized or Imposed Between FY11 – FY15	22
Budget Limits and Voted Amount	23
Budgeting Non-Levy Revenues for the General Fund	25
General Fund Guaranteed Tax Base Aid (GTB) Ratios and Subsidies	27
Calculating General Fund Levies: Elem and HS Districts	28
Ballots and Propositions: Estimating the Tax Impact of Mill Increases	30
Ballots and Propositions	31

If you need further assistance, contact the OPI school budgeting staff: Janelle Mickelson 444-3249 or Kathleen Wanner 444-9852.

TIMELINE

This list is not all-inclusive. For a more detailed calendar, see the School Accounting Manual.

March 1, 2015	Preliminary Budget Data Sheets sent from OPI to districts and County Superintendents. 20-9-369, MCA
April 25, 2015	Districts that intend to consolidate/annex effective July 1, 2015 must notify OPI.
May 1, 2015	FY 2016 revenue estimates for coal gross proceeds sent to districts and to County Superintendents from the Department of Revenue. 20-9-141(4), MCA
May 5, 2015	Election Day. Trustee election and general fund budget election, if needed, must be held. Other school elections may be set at times determined by the trustees. 20-20-105, MCA
By May 22, 2015	FY 2015 School facility reimbursement payment to eligible districts sent to County Treasurers for deposit in district's debt service fund. 20-9-367(3), MCA
June 26, 2015	Final FY 2015 Direct State Aid (DSA) and State Special Education payment to schools and cooperatives. 20-9-344(5), MCA
June 30, 2015	Fiscal year-end 2015, 20-1-301, MCA
July 20, 2015	County Treasurer reports final cash balances and bond information for the school year ended June 30 to each district. 20-9-121, MCA
Between July 1 & August 10, 2015	Clerk publishes notice of final budget hearing. 20-9-115, MCA
By August 3, 2015	County Assessors deliver taxable valuation information to County Superintendent (1st Monday in August). 20-6-122, MCA
By the date the final budget is adopted	Last day to hold an election for approval to establish a Building Reserve Fund Levy (61), Technology Levy (28), or Flexibility Fund Levy (29). (OPI RECOMMENDS ALL ELECTIONS BE HELD NO LATER THAN AUGUST 1 TO ALLOW ADEQUATE TIME FOR CANVASSING VOTES, ETC.)
On or before August 20, 2015	Trustees meet to consider all budget information. 20-9-131(1), MCA
Not later than August 25, 2015	Final budget adopted by trustees. 20-9-131(2), MCA
By August 15, 2015	Trustees submit FY 2015 Trustees' Financial Summary (TFS) to the County Superintendent. 20-9-213(6), MCA
By August 28, 2015	Trustees submit the final adopted budget to the County Superintendent within 3 days of adoption. 20-9-131, MCA
By September 1, 2015 or 30 calendar days after receiving taxable values	Levy requirements reported to county commissioners by County Superintendent. 20-9-141, MCA (1 st Tuesday in September)

TIMELINE (continued)

- By September 3, 2015 or 30 calendar days after receiving taxable values Levies fixed by county commissioners. 7-6-4036, MCA (1st Thursday after the 1st Tuesday in September)
- September 15, 2015 FY 2016 Final Budget and FY 2015 Trustees' Financial Summary (TFS) due to OPI from County Superintendent. 20-3-209, 20-9-134, MCA*

***NOTE:** MAEFAIRS System electronically accepts Trustees' Financial Summary and Final Budget on the same date.

OVERVIEW OF GENERAL FUND BUDGETING LAWS

This is a summary of the major budget laws for the general fund.

AVERAGE NUMBER BELONGING

Average Number Belonging (ANB) for each district is derived from the October Student Count For ANB reported to OPI on the Fall Student Count For ANB Report and the February Student Count For ANB reported to OPI on the Spring Student Count For ANB Report. Pre-kindergarten students are excluded from the ANB calculation (Note: a student who has reached the age of 5 on or before September 10 and is enrolled in a kindergarten program but is receiving services in a pre-school environment pursuant to an individualized education program, is reported as a kindergarten student and is included in eligibility for purposes of ANB) and kindergarten students are included as one-half, if in a half-time kindergarten program. Students are counted as one quarter time enrollment for 180-359 aggregate hours of pupil instruction per school year, one half time enrollment for 360-539 aggregate hours of pupil instruction per school year, three quarter time enrollment for 540-719 aggregate hours of pupil instruction per school year, and full time enrollment for 720 or more aggregate hours of pupil instruction per school year. Students who turn 19 years old on or before September 10 of the school year are not counted for ANB.

A school district is allowed to use current year ANB or 3-year average ANB for each budget unit by level (elementary or high school), whichever generates the greatest Maximum general fund budget. “**Current year ANB**” means the ANB for the budget unit for the ensuing school fiscal year. “**3-year average ANB**” means an average ANB over the most recent 3-year period, calculated by adding the current year ANB to the current ANB for each of the previous two school fiscal years, dividing the sum by 3, and rounding up to the next whole number. “**Budgeted ANB**” means the ANB used on the final general fund budget for a district. Depending on the calculations performed under 20-9-311, MCA, the budgeted ANB will be either the current ANB or the 3-year average ANB.

SEPARATE BUDGET UNITS

Enrollment is generally aggregated, or combined, for all schools of a district. The unit of aggregated enrollment used to determine ANB funding is called a "budget unit." When a school is 20 miles or more from another school of the same district and more than 20 miles beyond the incorporated limits of a city located in the district, the school is funded as a separate budget unit. Separate budget units are established only with the approval of the Office of Public Instruction.

Districts with a school 20 or more miles from another school within the district receive an additional "basic entitlement". 20-9-311(8)(a)(iii), MCA

The provisions in law for separate budget unit status should not be confused with an "isolated" school. Pursuant to 20-9-302, MCA, the trustees of any district operating an elementary school having fewer than 10 ANB or a high school of less than 25 ANB for 2 consecutive years shall apply to have the school classified as an isolated school. Once approved, isolation status applies for a three-year period if budget limit ANB remains under 10 for an elementary or 25 for high school.

CONSOLIDATION "BONUS": Districts that consolidate or annex are entitled to maintain funding for separate budget units for each district for up to three years. After three years, districts retain a percentage of the basic entitlement for an additional three years as follows: 75% of the basic entitlement in the fourth year, 50% of the basic entitlement in the fifth year, and 25% of the basic entitlement in the sixth year. 20-9-311(8)(a)(iv), MCA.

BASIC ENTITLEMENT AND PER-ANB ENTITLEMENT

The basic and per-ANB entitlements, along with the district's funding components and special education funding, define the BASE and Maximum general fund budget limits.

The **basic entitlement** for an elementary district, or the elementary program of a K-12 district, without an approved and accredited junior high school, 7th and 8th grade program or middle school, is \$50,000 up to 250 ANB, plus \$2,500 for each additional 25 ANB over 250.

For an elementary district, or the elementary program of a K-12 district, with an approved and accredited junior high school, 7th and 8th grade program or middle school, the basic entitlement for the district's kindergarten through grade 6 elementary program is \$50,000 up to the first 250 ANB, plus \$2,500 for each additional 25 ANB over 250. The basic entitlement for the district's junior high school, 7th and 8th grade programs or middle school is \$ 100,000 up to the first 450 ANB, plus \$5,000 for each additional 45 ANB over 450.

For a high school district, or the high school program of a K-12 district, the basic entitlement is \$300,000 up to 800 ANB, plus \$15,000 for each additional 80 ANB over 800.

The **per-ANB entitlement** varies based on the total number of ANB in the district. "Total per-ANB entitlement" means the district entitlement resulting from the following calculations using current year ANB or the 3-year average ANB for all budget units, whichever generates the greatest maximum general fund budget.

For an elementary district, or the elementary program of a K-12 district, without an approved and accredited junior high school, 7th and 8th grade program, or middle school has a per-ANB entitlement of \$5,348, decreased at a rate of \$0.20 per-ANB for each additional elementary ANB, up to 1,000 ANB. For each ANB over 1,000, the district per-ANB entitlement is \$5,148.20

For an elementary district, or the elementary program of a K-12 district, with an approved and accredited junior high school, 7th and 8th grade program, or middle school, the per-ANB entitlement is \$5,348 for each K-6 ANB, decreased at a rate of \$0.20 per-ANB for each additional K-6 ANB, up to 1,000 ANB. For each K-6 ANB over 1000, the district per-ANB entitlement is \$5,148.20. For the 7th and 8th grade program, the per-ANB entitlement is \$6,847.00 per-ANB, decreased at a rate of \$0.50 per-ANB for each additional 7th and 8th grade ANB, up to 800. For each 7th and 8th grade ANB over 800, the district per-ANB entitlement is \$6,447.50.

For a high school district, or the high school program of a K-12 district, the per-ANB entitlement is \$6,847, decreased at a rate of \$.50 per-ANB for each additional high school ANB, up to 800 ANB. For each ANB over 800, the district per-ANB entitlement is \$6,447.50.

NATURAL RESOURCE DEVELOPMENT PAYMENT

Starting in FY 2015, each district will receive a Natural Resource Development Payment. The FY 2016 appropriation is 4.9 million and will be allocated based on a district's percentage of the statewide total DSA without consideration for isolated status

FLEXIBLE NON-VOTED LEVY AUTHORITY

The trustees of a district may increase the district's over-BASE budget levy without a vote if the board of trustees reduces the non-voted property tax levy authority in the Transportation (10), Bus Depreciation (11), Tuition (13), or Adult Ed (17) funds by at least as much of the amount of the over-BASE budget levy is increased.

The non-voted levy authority for the Transportation (10), Bus Depreciation (11), Tuition (13), or Adult Ed (17) funds cannot be increased until the prior amount of non-voted levy authority used to increase the over-BASE budget levy is decreased to the extent that the trustees of the district imposed any increase in other non-voted property tax levies. A non-voted levy authority transfer from any of the above funds to increase the over-BASE budget levy restricts the ability to increase the non-voted levy authority in all of the funds.

ADDITIONAL FUNDING COMPONENTS

Schools receive five additional funding components, which expand the general fund. These components are 100% funded by the state in the BASE portion of the district's general fund budget.

Quality Educator Payment – Each school district and special education cooperative will receive a \$3,113 payment for each full-time equivalent (FTE) licensed educator and for other licensed professionals employed by the school district as referenced on 20-9-327(3), MCA. Districts report FTE for calculating the Quality Educator payment through Terms of Employment, Accreditation, and Master Schedule (TEAMS).

Indian Education for All Payment – Each district will receive an Indian Education for All payment to implement the provisions of the Montana constitution (Article X, section 1(2)) and the statutory requirements for the recognition of American Indian cultural heritage, 20-1-501, MCA. The Indian Education for All payment is the greater of \$100 for each district or \$20.88 per Budget ANB.

American Indian Achievement Gap Payment – A school district will receive \$205 for each American Indian student reported by the district to the OPI through the Achievement In Montana (AIM) system in the Fall Enrollment Count.

At-Risk Payment – The legislature appropriated \$5,269,408 for FY 2016 for distribution to public schools to address the needs of at-risk students. The money is to be distributed in the same manner as Title I monies are distributed to schools. For FY 2016, OPI will base the distribution of this payment on FY 2015 Title I allocations paid to school districts.

Data For Achievement - Each district will receive \$20 per Budgeted ANB. Funds received must be used to pay for costs associated with a statewide data system per 20-9-325, MCA

STATE FUNDING FOR SPECIAL EDUCATION COSTS

The state's special education funding is allocated in:

- two block grants for districts, based on ANB
- reimbursement for disproportionate costs to districts, and
- an additional administrative/travel costs payment to cooperatives.

Block grants are based on the **current year ANB** of a district. ANB generally includes children served in regular and special education programs.

Each district that: a) operates a special education program (i.e., has a resident student reported on the most recent special education child count); b) belongs to a special education cooperative; or c) has a signed written agreement with another public entity to provide instructional services to children with disabilities is eligible to receive block grants based on current year ANB. [If one or more of the above are true, a "Yes" appears on Line 7 of the Budget Data Sheet indicating eligibility status.]

The **Instructional Block Grant (IBG)** per **current year ANB** is sent to each qualified district. The district must "match" the block grant by spending \$1 of local money for every \$3 received in the IBG. The matching funds and the block grant are spent for allowable special education costs in accordance with section 20-7-431, MCA.

Each qualified district will also be allocated a **Related Services Block Grant (RSBG)** amount per **current year ANB**. If the district is a member of a special education cooperative, the district's Related Services Block Grant will be sent directly to the cooperative from OPI. The district must "match" the block grant by providing \$1 of local revenue for every \$3 received from the state RSBG.

The match is required whether the district or its cooperative receives the related services block grant directly. If the district is a member of a cooperative, the district transfers the match for the Related Services Block Grant to the cooperative and records it as an operating transfer in the district's general fund. Again, the matching funds must be spent only for allowable special education costs in accordance with 20-7-431, MCA.

If certain conditions are met per 20-9-321(4)(b)(iii), MCA, a district will be eligible to receive reimbursement dollars as part of their state payment. In the event that a district's prior year expenditures exceed that district's required spending by a threshold percentage (new percentage each year), the district will be eligible for **reimbursement of 40% of these disproportionate costs**. The required spending level is based upon state special education payments received plus a percentage of local contribution.

In addition to receiving the Related Services Block Grant for its participating members, **cooperatives will be allocated payments for administrative and travel costs**. These payments will be based on weighted statewide and individual cooperative travel and administrative factors. The cooperative will receive the weighted payment directly and no district or cooperative match is required. The allocation is spent by the cooperative for allowable special education costs in accordance with 20-7-431, MCA.

The district's special education allowable cost payments for the Special Education block grants and reimbursements are deposited in the general fund.

ESTABLISHING THE BASE & MAXIMUM GENERAL FUND BUDGETS

State law establishes a minimum (BASE) and maximum general fund budget range for each school district based on the district's basic and per-ANB entitlements, the five funding components and the special education allowable cost payment.

The BASE budget of a district is the sum of 80% of the district's basic entitlement, 80% of the district's per-ANB entitlement, 100% of the total Quality Educator payment, 100% of the total At-Risk Student payment, 100% of the total Indian Education for All payment, 100% of the total American Indian Achievement Gap payment, 100% of the total Data For Achievement payment, 140% of the district's special education allowable cost payments, and 40% of the related services block grant received directly by the cooperative.

The maximum general fund budget of a district is the sum of 100% of the district's basic entitlement, 100% of the district's per-ANB entitlement, 100% of the total Quality Educator payment, 100% of the total At-Risk Student payment, 100% of the total Indian Education for All payment, 100% of the total American Indian Achievement Gap payment, 100% of the total Data For Achievement payment, 175% to 200% of the district's special education allowable cost payments, and 75% to 100% of the related services block grant received directly by the cooperative.

A district may adopt a budget equal to its prior year adopted budget plus any increases in the basic entitlement, the per-ANB entitlement, the five funding components, and an FTK transition amount, if applicable, or the ensuing year's maximum budget, whichever is higher. However, voter approval is required for any increase in the over-BASE levy. See "FY 2016 General Fund Budget and Voting Limits" on page 12 for more information.

FUNDING THE GENERAL FUND BUDGET

A district may fund its general fund budget from the following sources:

- a) DSA equal to 44.7% of the district's basic and per-ANB entitlements;
- b) 100% of the total Quality Educator payment;
- c) 100% of the total At-Risk payment;
- d) 100% of the total Indian Education for All payment;
- e) 100% of the total American Indian Achievement Gap payment;
- f) 100% of the total Data For Achievement payment
- g) Natural Resource Development payment
- h) Special Education Allowable Cost payment from the state (amounts directly paid to district);
- i) Non-levy revenue and fund balance reappropriated (fund balance reappropriated is limited to 15% of the maximum general fund budget), 20-9-104, MCA;
- j) Non-voted local levies subsidized with GTB aid to fund up to 35.3% of its basic and per-ANB entitlement and 40% of its special education allowable cost payment, including the related services block grant paid directly to cooperatives; and
- k) Voted and non-voted local levies with no GTB aid for that portion of the general fund budget above 80% of the basic and per-ANB entitlements and 140% of special education allowable cost payments, and 40% of the related services block grant payment to the cooperative.

In general, non-levy revenue sources must be **budgeted using actual prior year receipts**. These sources include investment earnings, most taxes and fees, and miscellaneous revenues. *[See page 25 for more information on Non-Levy Revenues.]*

The School Block Grant must be budgeted in the general and transportation funds. The General Fund and Transportation Fund School Block Grant amounts continue to remain constant for FY 2016 and have so since FY 2011

The Combined School Block Grant amount continues to remain constant for FY 2016 and has so since FY 2011. The grant may be deposited into any budgeted fund or a combination of budgeted funds of the district.

In all years that a tax rate reduction occurs in Class 8 taxes, reimbursements will be made as Class Eight School and Combined School Block Grants. For FY 2016, reimbursements will occur and be paid with the November 2015 payment

Non-levy revenue sources that may be **estimated** include oil and gas production taxes, and tuition. Tuition revenue can be used to fund the Over-BASE budget. MAEFAIRS automatically applies tuition revenue to the Over-Base budget area.

Oil & gas **must** be budgeted at a minimum 25% of the actual deposits from the previous year's receipts in all funds unless an exception is met.

Coal Gross Proceeds Taxes may be anticipated using estimates provided by the state Department of Revenue. The Department of Revenue will make estimates available to districts in May for purposes of budgeting for the ensuing year. OPI enters this revenue in MAEFAIRS.

GUARANTEED TAX BASE AID (GTB)

Each school district receives DSA for the first 44.7% of its basic and per-ANB entitlements and 100% of each of the Quality Educator, At-Risk, Indian Education of All, American Indian Achievement Gap, and Data For Achievement payments. The district may also receive a special education allowable cost payment to fund a portion of the district's special education program. The next 35.3% of the basic and per-ANB entitlements plus up to 40% of the special education allowable cost payment, including the related services block grant received directly by a cooperative, is the **GTB budget area**. The GTB budget area is funded by fund balance reappropriated from the prior year (not to exceed 15% of the maximum general fund budget), non-levy revenues (i.e., School Block Grant, Oil and Gas Production Taxes, Coal Gross Proceeds, investment earnings, etc.), district property taxes, and state GTB aid.

A district is eligible for GTB aid if its GTB ratio is less than the statewide elementary or high school GTB ratio. If a district is eligible for GTB aid, then **for every mill levied to fund the GTB budget area**, the district will receive a subsidy from the state in the amount calculated on page 26, line f. A district first funds its budget with fund balance available for reappropriation and non-levy revenues before it levies property taxes to fund the GTB budget area.

The preliminary calculation of the weighted GTB subsidy per BASE mill is reported to districts in March. Any adjustments of GTB are reflected in the final subsidies shown on the final budget forms. OPI pays the GTB subsidy to eligible school districts twice per year, in November and May.

OPERATING RESERVES AND "EXCESS" RESERVES

At the end of the school fiscal year, a district may reserve a portion of its fund balance as an **operating reserve** for the ensuing school year. The amount reserved may not exceed 10% of the final general fund budget for the following school year, or \$10,000, whichever is greater.

Fund balance must be used to fund the ensuing year's BASE budget (not to exceed 15% of the maximum general fund budget) unless it is set aside as an operating reserve or prior year excess reserves. A district that is eligible for GTB will experience a lower BASE mill levy and a lower GTB payment when fund balance is reappropriated to fund the BASE budget.

A district may exceed the 10% reserve limit when the source of the **excess reserves** is the unexpended balance of any amount received for a prior year from a protested tax settlement, tax audit, or delinquent taxes. (Retain documentation supporting the excess reserves for audit purposes.)

Excess reserves may be used to fund budget amendments for deferred projects; may be used in a subsequent year's budget to fund the over BASE portion of the budget; or may be retained for any number of years, as long as they remain unspent and the operating reserve limit is met.

Interest earned on excess reserves is not an allowable addition to excess reserves.

BUDGET AUTHORITY AND VOTER APPROVAL

If voter approval is required, the proposition must comply with 20-9-353, MCA.

SUGGESTED BALLOT LANGUAGE:

Districts must obtain voter approval for an increase in the amount needed for the Over-BASE tax levy from the prior year. Section 15-10-425, MCA, requires the ballot proposing to **increase the Over-BASE levy amount** to INCLUDE THE FOLLOWING INFORMATION:

PROPOSITION

Shall the district be authorized to impose an increase in local taxes to support the general fund in the amount of \$_____ which is approximately _____ mills for the purpose of _____? Passage of this proposal will increase the taxes on a home with a market value of \$100,000 by approximately \$ _____ and on a home with a market value of \$200,000 by approximately \$ _____. The durational limit of the levy is permanent once approved by the voters, assuming the district levies that amount each year thereafter. However, lowering over-BASE tax levies in any year will lower the amount of permissively over-BASE levies in subsequent years.

☐ FOR the additional levy.

☐ AGAINST the additional levy.

NOTE: The ballot above presents one option. It contains all information required to be included per 15-10-425, MCA. As long as key information is contained in the ballot, trustees are allowed to use their discretion in formulating ballot language for general fund elections.

The proposition lists an approximate number of mills, since taxable valuation and other information necessary to determine an exact number of mills is not available at the time of the election. Actual mills will commonly differ from this estimate.

How do you determine how much to ask voters to approve?

The **DOLLAR AMOUNT** to vote is any positive difference between the proposed budget and the "Highest Budget Without a Vote." (See table on page 12)

The **NUMBER OF MILLS** to put on the ballot is the additional number of Over-BASE mills that will result if the proposition passes.

Calculate the mill increase by dividing the proposed dollar increase in the Over-BASE levy by the estimated district mill value. District mill value is the taxable valuation times 0.001.

Non-levy revenues or fund balance reappropriated, or excess reserves available to fund the over-BASE budget area do not need to be voted.

NOTE: DO NOT put the entire proposed budget amount on the ballot. Only the increase in the over-BASE levy from the previous year's over-BASE levy requires voter approval. Asking voter approval for the entire budget amount can cause potential legal questions about the meaning of the voter's approval or disapproval.

How do you determine "mill value?"

"Mill value" is the total taxable valuation of the district times 0.001.

For example: Taxable Valuation = \$1,234,267

Mill Value = \$1,234,267 X 0.001 = \$1,234.267 per mill

Actual taxable valuation is reported to districts in August and is therefore not available at the time the ballot must be prepared for the May election. For purposes of voting requirements in January through May, districts may estimate mill value using one of the following options:

- 1) Taxable valuation from the previous year's final budget cover page; or
- 2) Taxable valuation reported on the "Preliminary Budget Data Sheet" posted on the Office of Public Instruction website (that valuation is more current, since it is the "final" prior year value updated by Department of Revenue in the prior December); or
- 3) An estimate based on information gathered through discussions with the local assessor.

For calculating final budget mills in August, the district and County Superintendent must use the taxable valuation delivered to the school district by the Assessment Division of the Department of Revenue in August or a subsequent official revision of that report.

DISTRIBUTION OF DSA AND GTB PAYMENTS

Each district receives 10% of its DSA, Special Education, Quality Educator, At-Risk, Indian Education for All, American Indian Achievement Gap, Data For Achievement, and Natural Resource Development payments each month during August through October, December through April, and the remainder in June. In November and May, eligible districts receive one-half of their annual GTB aid. DSA is not paid in November or May. OPI posts a monthly payment advice for each district clerk, county superintendent and county treasurer on the OPI website under "Entitlement Payments" at the following link: [Entitlement Payment Advice](#)

BUDGET AMENDMENTS

The trustees may pass a resolution to amend the budget for reasons provided in section 20-9-161, MCA. Before adopting a budget amendment *for an unusual enrollment increase*, the trustees must petition OPI and get approval to proceed. The school trustees, without the prior approval of OPI, may approve a budget amendment for any other legal reason. The October count (Fall Student Count For ANB Report), the December count (Winter Student Count for ANB Report), or February count (Spring Student Count For ANB Report) may be used to calculate and support a budget amendment for an unanticipated enrollment increase. The state will pay additional DSA for a portion of a budget amendment adopted for an enrollment increase if the enrollment increase is greater than 4% of the enrollment or more than forty students used to calculate ANB.

The additional ANB approved under a budget amendment for an enrollment increase and the additional budget authority approved in the budget amendment ARE NOT USED in calculating the budget growth limits for the ensuing school year or in determining ANB for the 3 year average.

K-12 DISTRICTS

The per-ANB entitlement for a K-12 district is calculated by applying the funding formulas to the number of K-8 ANB and 9-12 ANB, the same as is done for elementary and high school districts.

The BASE-budget levy is prorated based on the ratio of each subsidized BASE budget of the elementary and high school program to the total subsidized BASE budget. The proration will be used to determine GTB aid separately for elementary and high school.

STATUS AND ANB CHANGES (K-12, Annexation/Consolidation, Isolation Status, Opening/Closing Schools, Anticipated ANB Increases, etc.)

Districts planning to change status for the ensuing year must notify OPI as soon as possible, and not later than April 25. Because lead-time is necessary to process and record changes for a district, notifying OPI after April 25 may result in lower Title 1 allocations and delays in other funding areas.

FY 2016 General Fund Budget and Voting Limits

HIGHEST BUDGET WITHOUT A VOTE (permissive)	HIGHEST BUDGET	VOTING REQUIREMENT
<p>FY 2016 BASE</p> <p>+ The highest levy Over Base authorized or imposed between FY11 and FY 2015 + Estimated FY 2016 Tuition Revenue</p> <p>+ Non-Levy Revenues available to fund the over-BASE budget</p> <p>+ FY 2015 Excess Reserves used to fund the FY 2016 Over-BASE budget</p> <p>+ Fund Balance Reappropriated available to fund the Over-BASE budget</p> <p>+ Flexible Non-Voted Levy Authority transferred from the Transportation, Bus Depreciation, Tuition, or Adult Ed funds.</p> <p>Note:</p> <ul style="list-style-type: none"> Total fund balance reappropriated to fund the BASE and Over-BASE budgets may not exceed 15% of the maximum general fund budget Must adopt at least FY 2016 BASE budget and highest budget without a vote cannot exceed the FY 2016 Highest Budget. 	<p><u>Greater of:</u></p> <p>FY 2016 Maximum Budget</p> <p>- or -</p> <p>FY2015 Adopted Budget + increases resulting from individually comparing the FY2016 Basic Entitlement, Per-ANB Entitlement, Quality Educator, Indian Ed for All, At Risk, American Indian Achievement Gap and Data For Achievement payments to each FY 2015 payment received.</p> <p>+</p> <p>Fulltime Kindergarten Transition Amount (FY 2015 Average Kindergarten Enrollment /2 X (PAA-3)% X 5,226 + 20.40)</p>	<p>Any increase in Over-BASE tax dollars needed to fund the budget</p> <p>Note:</p> <ul style="list-style-type: none"> Equals the difference between the proposed budget (up to Highest Budget) and the permissive budget (Highest Budget Without a Vote).

ANB CALCULATION

By Budget Unit:		El Example	HS Exp	(EL) CY	(MS) CY	(HS) CY
Total October Enrollment (most recent Fall Count including Kindergarten)	(a)	50	100			
Subtract: ½ Kindergarten students enrolled in a ½ time K program	(b)	0	N/A			
Subtract: Pupils in grades FTK-12 receiving less than 180 hrs/year	(c)	1 x 1 = 1	0			
Subtract: ¾ Pupils in grades FTK-12 receiving between 180-359 hours of services per year**	(d)	2 x .75 = 1.5	0			
Subtract: ½ pupils in grades FTK-12 receiving 360-539 hours of services per year**	(e)	1 x .5 = 0.5	2 x .5 = 1			
Subtract: ¼ Pupils in grades FTK-12 receiving between 540-719 hours of services per year **	(f)	2 x .25 = 0.5	0			
Subtract: ½ Pupils attending MT Youth Challenge Program***	(g)	N/A	0			
Subtract: 19-Year-Old pupils included in (a)	(h)	N/A	2			
October Adjusted Enrollment [a - b - c - d - e - f - g - h]	(i)	46.5	97			
Total February Enrollment (most recent Spring count)	(t)	52	99			
Subtract: ½ Kindergarten students enrolled in a ½ time K program	(u)	0	N/A			
Subtract: Pupils in grades FTK-12 receiving less than 180 hrs/year	(v)	1 x 1 = 1	0			
Subtract: ¾ Pupils in grades FTK-12 receiving between 180-359 hours of services per year **	(w)	1 x .75 = 0.75	0			
Subtract: ½ pupils in grades FTK-12 receiving 360-539 hours of services per year**	(x)	1 x .5 = 0.5	0			
Subtract: ¼ Pupils in grades FTK-12 receiving between 540-719 hours of services per year **	(y)	2 x .25 = 0.5	0			
Subtract: ½ Pupils attending MT Youth Challenge Program***	(z)	N/A	0			
Subtract: 19-Year-Old pupils included in (s)	(aa)	N/A	2			
Add: Early graduates***	(ab)	N/A	1			
February Adj Enrollment [t - u - v - w - x - y - z - aa + ab]	(ac)	49.75	98			
Avg. Enrollment [(i + s + ac) divided by 2] - Don't round.	(ad)	48.13	97.5			
Pupil Instruction Related (PIR) Days - for same year as two enrollment counts (usually 7)	(ae)	7	7			
Total Days Funded, including PIR Days: (180+ PIR Days on line ae)	(af)	187	187			
Current Year ANB [(ad times af) divided by 180] (round up)	(ag)	50	102			
Current ANB from Prior Year	(ah)	41	105			
Current ANB from Two Years Prior	(ai)	44	94			
Three Year Average ANB [(ag+ah+ai) divided by 3] (round up)	(aj)	46	101			

**See hour requirements in ARM 10.20.102(7)

***"Early Graduates" are high school seniors who complete graduation requirements in 7 semesters, and are no longer enrolled as of the February count date.

Other Notes: (1) If official count day is not a school day for your district, use the next pupil-instruction day.

(2) If student is absent more than 10 consecutive days prior to the count date (excused or unexcused), student cannot be included in the count of Enrolled pupils

High School: Additional Calculation for Determining ANB from Enrollment

Add in all enrolled for Budget unit	Grade	Fall		Spring				
	9th Grade H1	922		893				
	10th Grade H1	741		733				
	11th Grade H1	753		747				
	12th Grade H1	743		681				
	H1 Total	3,159		3,054				
	District Total:	3,159		3,054				
Students who turned 19 on or before 10/10/10 are not included in part-time students counted for ANB.								
S - DISTRICT								
Subtract 100% <180	Subtract 75% 180-359	Subtract 50% 360-539		Subtract 25% 540-719				
	Fall		Spring					
	Not Counted For ANB	Parttime Count	Parttime Count	Parttime Count	Not Counted For ANB	Parttime Count	Parttime Count	Parttime Count
	< 180	180-359	360-539	540-719	< 180	180-359	360-539	540-719
	hrs/yr	hrs/yr	hrs/yr	hrs/yr	hrs/yr	hrs/yr	hrs/yr	hrs/yr
9-12 Grade H1	20	12	6	4	23	14	8	7
Subtract 19 Year Olds								
Subtract 1/2 Youth Challenge								
Add in Early Grads								
No Effect Job Corps								
	Student Count Type		Fall		Spring			
	19 Year Olds H1		23		19			
	Early Graduates H1		N/A		41			
	Job Corps H1		1		1			
	MT Youth Challenge H1		7		2			

Elementary: Additional Calculation for Determining ANB from Enrollment

		Subtract 100% <180	Subtract 75% 180-359	Subtract 50% 360-539	Subtract 25% 540-719
		PART-TIME STUDENTS - DISTRICT			
		Not Counted For ANB < 180 hrs/yr	Parttime Count 180-359 hrs/yr	Parttime Count 360-539 hrs/yr	Parttime Count 540-719 hrs/yr
Transition 1st - 6 Grades E1	Fall	2	0	0	0
7-8 Grade M1	Fall	1	0	0	0
Transition 1st - 6 Grades E1	Winter	2	0	0	0
7-8 Grade M1	Winter	1	0	0	0
Transition 1st - 6 Grades E1	Spring	2	0	0	0
7-8 Grade M1	Spring	0	1	0	0
Subtract all other budget unit related Part Time amounts					

BASIC ENTITLEMENT CALCULATIONS

Elementary District K-6 or K-8 OR K-12 <u>without</u> an accredited junior high school, 7th and 8th grade program or middle school	Elementary District K-6 and 7-8 OR K-12 <u>with</u> an accredited junior high school, 7th and 8th grade program or middle school	High School District OR K-12 9-12 program
<p>If current year ANB is < 250 then your basic entitlement equals \$50,000, otherwise basic entitlement equals</p> $\text{Round Down}((\text{CY ANB} - 250) / 25) = \text{X } 2,500 + 50,000$	<p>If current year ANB grades K-6 is < 250 then basic entitlement equals \$50,000, otherwise basic entitlement equals</p> $\text{Round Down}((\text{CY ANB} - 250) / 25) = \text{X } 2,500 + 50,000$ <p>-----</p> <p>If current year ANB grades 7-8 is < 450 then basic entitlement equals \$100,000, otherwise basic entitlement equals</p> $\text{Round Down}((\text{CY ANB} - 450) / 45) = \text{X } 5,000 + 100,000$	<p>If current year ANB grades 9-12 is < 800 then basic entitlement equals \$300,000, otherwise basic entitlement equals</p> $\text{Round Down}((\text{CY ANB} - 800) / 80) = \text{X } 15,000 + 300,000$
(a1)	(b1)	(c1)
<p>If 3-year average ANB is < 250 then basic entitlement equals \$50,000, otherwise basic entitlement equals</p> $\text{Round Down}((3\text{Y Ave ANB} - 250) / 25) = \text{X } 2,500 + 50,000$	<p>If 3-year average ANB for grades K-6 is < 250 then basic entitlement equals \$50,000, otherwise basic entitlement equals</p> $\text{Round Down}((3\text{Y Ave ANB} - 250) / 25) = \text{X } 2,500 + 50,000$ <p>-----</p> <p>If 3-year average ANB for grades 7-8 is < 450 then basic entitlement equals \$100,000, otherwise basic entitlement equals</p> $\text{Round Down}((3\text{Y Ave ANB} - 450) / 45) = \text{X } 5,000 + 100,000$	<p>If 3-year average ANB is < 800 then basic entitlement equals \$300,000, otherwise basic entitlement equals</p> $\text{Round Down}((3\text{Y Ave ANB} - 800) / 80) = \text{X } 15,000 + 300,000$
(a2)	(b2)	(c2)

Enter basic entitlement on p. 18, Line (a1) and (a2) and/or (f1) and (f2)

- If 7th-8th grade students attend a school without an accredited 7th-8th grade, middle school or junior high school program, the district calculates its basic entitlement using formula (a).
- If 7th-8th grade students attend a school with an accredited 7th-8th grade, middle school or junior high school program, the district calculates its basic entitlement using formula (b)

PER-ANB ENTITLEMENT CALCULATION

Elementary Districts with K-6 –OR-- K-8 OR K-12 Districts (no junior high school, 7th and 8th grade program or middle school)			
		Current ANB	3-yr average ANB
(a) With <u>1000 ANB or less</u>	$[\$5,348 \times \text{Elem ANB}] - [0.20 \times (\text{Elem ANB} / 2) \times (\text{Elem ANB} - 1)]$		
(b) With <u>greater than 1000 ANB</u> \$5,148.20]	$\$5,248,100.00 + [(\text{Elem ANB} - 1000) \times$		
Elementary Districts or K-12 Districts with approved and accredited junior high school, 7th and 8th grade program or middle school			
(c) 7th and 8th Grade With 800 ANB or less	$[\$6,847 \times 7\text{-}8 \text{ ANB}] - [0.50 \times (7\text{-}8 \text{ ANB} / 2) \times (7\text{-}8 \text{ ANB} - 1)]$		
(d) 7th and 8th Grade With greater than 800 ANB \$6,447.50]	$\$5,317,800.00 + [(7\text{-}8 \text{ ANB} - 800) \times$		
High School or K-12 Districts			
(e) High School With 800 ANB or less	$[\$6,847 \times \text{HS ANB}] - [0.50 \times (\text{HS ANB} / 2) \times (\text{HS ANB} - 1)]$		
(f) High School With greater than 800 ANB \$6,447.50]	$\$5,317,800.00 + [(\text{HS ANB} - 800) \times$		
	Elementary & 7-8 Accredited Programs sum (a) through (d)	High School Districts sum (e) and (f)	
	Current ANB	3-yr average ANB	Current ANB
	(g1)	(g2)	(g3)
(g) Totals	[Sum of (a) through (d)] and [Sum of (e) and (f)]		(g4)

Enter per-ANB entitlement on p. 18, Line (b1) and (b2) and/or (g1) and (g2)

- If 7th-8th grade students attend a school without an accredited 7th-8th grade, middle school or junior high school program, the district calculates its per-ANB entitlement using elementary formula (a) or (b).
- If 7th-8th grade students attend a school with an accredited 7th-8th grade, middle school or junior high school program, the district calculates its per-ANB entitlement by using the K-6 ANB in elementary formula (a) or (b) and the 7-8 ANB in high school formula (c) or (d).
- A district with a school that is more than 20 miles from any other school of the district calculates its per-ANB entitlement for that school as if the school were a separate district (i.e., as a separate district). OPI approval is required for additional budget units.

ANB BASED FUNDING

This calculation is used exclusively to determine the ANB that generates the greatest maximum general fund budget.

Elementary ANB (K-8)	Current Year ANB (K-8)	3-Yr Average ANB (K-8)
(a) Total Basic Entitlement	(a1) pg 16, a1 or b1	(a2) pg 16, a2 or b2
(b) Per - ANB Entitlement	(b1) pg 17, g1	(b2) pg 17, g2
(c) Indian Education for All [Budget Limit ANB X 20.88] minimum \$100.00	(c1) ANB for formula pg 13, line ag	(c2) ANB for formula pg 13, line aj
(d) Data for Achievement [Budget Limit ANB X \$20.00]	(d1)	(d2)
(e) Totals [Sum of (a) through (d)]	(e1)	(e2)
High School Districts (9-12)	Current Year ANB (9-12)	3-Yr Average ANB (9-12)
(f) Total Basic Entitlement	(f1) pg 16, c1	(f2) pg 16, c2
(g) Per – ANB Entitlement	(g1) pg 17, g3	(g2) pg 17, g4
(h) Indian Education for All [Budget Limit ANB X 20.88] minimum \$100.00	(h1) ANB for formula pg 13, line ag	(h2) ANB for formula pg 13, line aj
(i) Data for Achievement [Budget Limit ANB X \$20.00]	(i1)	(i2)
(j) Totals [Sum of (f) through (i)]	(j1)	(j2)

	Elementary School	High School
Totals	(k1) Select the greater of (e1) or (e2)	(k2) Select the greater of (j1) or (j2)
	If the elementary current year ANB total is the highest elementary amount, enter a1, b1, c1,d1. OR If the elementary 3-year average ANB total is the highest elementary amount, enter a2, b2, c2, d2.	If the high school current year ANB total is the highest high school amount, enter f1, g1, h1, i1. OR If the high school 3-year average ANB total is the highest high school amount, enter f2, g2, h2, i2.
Total Basic Entitlement	(l1) a1 or a2	(l2) f1 or f2
Per – ANB Entitlement	(m1) b1 or b2	(m2) g1 or g2
Indian Education for All	(n1) c1 or c2	(n2) h1 or h2
Data for Achievement	(o1) d1 or d2	(o2) i1 or i2

SPECIAL EDUCATION FUNDING AND BUDGET

Formula uses current year (2016) ANB (page 13 line ag)

Special Education Allowable Cost Payments		Elementary K-6 & 7-8	High School 9-12	K-12 Total El & HS
(a) Instructional Block Grant	Budget Data Sheet, Line 8a [IBG rate X CY ANB]			
(b) Related Services Block Grant	Budget Data Sheet, Line 8b If COOP member, enter 0. If NOT a COOP member, enter [RSBG rate X CY ANB]			
(c) Reimbursement for Disproportionate Costs				
For Elem or HS Districts:	Budget Data Sheet, Line 8c			
For K-12 Districts:				
Elem:	Budget Data Sheet, page 2			
HS:	Budget Data Sheet, page 2			
(d) Total Special Education Allowable Cost Payment (district)	Enter on pg 20, line (h) AND pg 21 line (t) & (u) AND pg 27, line (3b) [a + b + c]			
Prorated Cooperative Cost Payments				
(e) Related Services Block Grant	Budget Data Sheet, Line 8e	Enter on pg 21 line (u)		
If NOT a COOP member, enter 0.				
If a COOP member, enter	[RSBG rate X CY ANB]			
Local Match and Required Spending				
(f) Required Local Match	[(a + b + e) X 0.33]			
(g) Special ED Spending to Avoid Reversion	[a + b + f]			
You must spend this amount in order to avoid "reverting" (refunding state special education funds.)				

- Districts must spend \$1 of local money for every \$3 of state funding received for special education block grants. If match is not provided, or if state funding is not spent, the state money is proportionally "reverted" from the next year's special education funding. "Reverted" means the unspent or unmatched amount is subtracted from special education payments in the next year.
- "Match" and any expenditures of state special education funding must be paid for "allowable costs" as defined by 20-7-431, MCA. Match may include allowable special education costs using expenditure program 280 in funds 01 General Fund, 24 Metal Mines and Tax Reserve Fund, 25 State Mining Impact Fund, and 26 Impact Aid Fund. Match may not include money received for services provided by your district to other districts or cooperatives; prorated costs of operations and maintenance, such as heat, lights, repairs, minor remodeling, service contracts on equipment and security services; transportation costs; and retirement costs (i.e., retirement fund expenditures). Receipts for special education services provided to other districts or cooperatives must be deposited in the miscellaneous programs fund and spent within the year received.
- Match for the IBG may include direct expenditures of the district OR payments or transfers to the district's cooperative for special education purposes (X01-280-6200-920). If the district is a cooperative member, the match for the related services block grant MUST be paid to the district's cooperative. If the district is not a member of a cooperative, the match for the related services block grant must be made in direct district expenditures for special education allowable costs.
- State special education funding received by a district must be deposited in the general fund. State special education funding received by a cooperative must be deposited to the cooperative fund (382).

MAXIMUM BUDGET LIMIT

	Elementary	High School	K-12*
(a) 100% of Basic Entitlement pg 18, Line (11) or (12)			
(b) 100% of Per-ANB Entitlement pg 18, Line (m1) or (m2)			
(c) 100% Quality Educator Component Budget Data Sheet, Line 3 [FTE X \$3,113]			
(d) 100% At Risk Component Budget Data Sheet, Line 4			
(e) 100% Indian Ed. For All Component Budget Data Sheet, Line 5 [ANB X \$20.88]			
(f) 100% Student Achievement Gap Component Budget Data Sheet, Line 6 [Indian Students X \$205.00]			
(g) 100% Data For Achievement Component Budget Data Sheet, Line 7 pg 18, Line (o1) or (o2)			
(h) Special Education Allowable Cost Payments Budget Data Sheet, Line 8d pg 19, Line (d)			
(i) Prorated SPED COOP Payments Budget Data Sheet, Line 8e pg 19, Line (e)			
% of Special Ed Funding in Maximum (j)(j) Actual % (round up to nearest whole %) $\left[\frac{\text{FY 2014 SPED GF Allowable Cost Expenditures}}{\text{FY2014 Spec. Ed Allowable Cost Payments}} \right] - 1.00 \times 100$ <u>Expenditures:</u> From FY 2014 Trustees' Financial Summary, SPED Reversion Report, General Fund column. <u>Special Ed Allowable Cost Payments:</u> From FY 2014 Final Budget, Line (I-G)			
(j)(jj) Minimum % = 75%	75%	75%	75%
(j)(jjj) Required % of SPED Funding in Maximum: Budget Data Sheet, Line 9a Greater of (j)(j) or (j)(jj), but not more than 100%			
(k) Dollar Amount of Required % of SPED Allowable Costs in Maximum, including prorated SPED cooperative payments. [(h + i) X (j)(jjj)]			
(l) Maximum Budget Limit [(a) + (b) + (c) + (d) + (e) + (f) + (g) + (h) + (k)]	Enter on pg 23 line 2		

* K-12 districts – Calculate Elementary and High School portions separately then add across to the K-12 column.

-- First 40% of Special Education MUST be in BASE. Between 35% and 60% is applied in OVERBASE, totaling up to 100% in the Maximum Budget.

BASE BUDGET LIMIT

	Elementary	High School	K-12*
(m) 80% of Basic Entitlement [0.80 X pg 18, Line 11 or 12]			
(n) 80% of Per-ANB Entitlement [0.80 X pg 18, Line m1 or m2]			
(o) 100% Quality Educator Component Budget Data Sheet, Line 3 [FTE X \$3,113]			
(p) 100% At Risk Component Budget Data Sheet, Line 4			
(q) 100% Indian Ed. For All Component Budget Data Sheet, Line 5 [ANB X \$20.88]			
(r) 100% Student Achievement Gap Component Budget Data Sheet, Line 6 [Indian Students X \$205.00]			
(s) 100% Data For Achievement Budget Data Sheet, Line 7 pg 20, Line g			
(t) Special Education Allowable Cost Payments (district) pg 19, Line d			
(u) ** 40% of SPED Allowable Costs, including prorated special education cooperative payments [0.40 X p. 19 (d + e)]			
(v) Base Budget Limit [(m) + (n) + (o) + (p) + (q) + (r) + (s) + (t) + (u)]	Enter on pg 23 line 1		

* K-12 districts – Calculate Elementary and High School portions separately then add across to the K-12 column.

** First 40% of Special Education MUST be in BASE. Between 35% and 60% is applied in OVERBASE, totaling up to 100% in the Maximum Budget.

CALCULATION OF RATIO FOR PRORATION OF SUBSIDIZED BASE BUDGET

	Elementary	High School	K-12*
(w) GTB Area [pg 20 Line (a + b) times 35.3%]			
(x) Subsidized BASE Amounts [u + w]	(x1)	(x2)	(x3)
(y) Subsidized BASE Ratio Round to the nearest whole percentage not to exceed 100 %	Enter on pg 27 line 6(a) & 6(b)		
	(y1) (x1/x3)	(y2) (x2/x3)	(y3) 100%

-- If GTB Subsidy per BASE mill on Budget Data Sheet, page 3, equals zero for BOTH Elem and HS, skip this section

HIGHEST LEVY OVER BASE AUTHORIZED OR IMPOSED BETWEEN FY2011 & FY2015

2010		2011	2012	2013	2014	2015	
(a)	OB Levy (Imposed) Budget Worksheet, Line (II D)	(a1) If cell b2 = 0 then this cell = 0	(a2)	(a3)	(a4)	(a5)	(a6)
(b)	Amount Approved by Voters on Ballot Budget Worksheet, Line (II-L)		(b2)	(b3)	(b4)	(b5)	(b6)
(c)	Highest Voted Amount Budget Data Sheet, page 2, Line 9f		(c2)	(c3)	(c4)	(c5)	(c6)
(d)	Highest Budget With a Vote Budget Worksheet Line (II-J)		(d2)	(d3)	(d4)	(d5)	(d6)
		2011	2012	2013	2014	2015	
(e)	PY OB Levy + CY Amount Approved on Ballot by Voters (a + b)	(e2) (a1)+(b2)	(e3) (a2)+(b3)	(e4) (a3)+(b4)	(e5) (a4)+(b5)	(e6) (a5)+(b6)	
(f)	PY OB Levy + CY Highest Voted Amount (a + c)	(f2) (a1)+(c2)	(f3) (a2)+(c3)	(f4) (a3)+(c4)	(f5) (a4)+(c5)	(f6) (a5)+(c6)	
(g)	Choose the Lesser of (e) or (f) (Authorized)	(g2)	(g3)	(g4)	(g5)	(g6)	
(h)	Choose the Higher of (a) or (g) If the result is higher than (d) then (d)	(h2)	(h3)	(h4)	(h5)	(h6)	
(i) Choose the Highest of cells h2 through h6 and use this number on cell (6b) of pg 23 (Budget Year Permissive Over Base)							(i)

RECAP OF GENERAL FUND **BUDGET LIMITS AND VOTED AMOUNT SCHOOL YEAR 2016**

1	Current Year (FY2016) BASE	pg	(1)	
	21(v)			
2	Current Year (FY2016) Maximum	pg	(2)	
	20(l)			
3	Adjusted Prior Year (FY2015) Adopted General Fund Budget:			
a	Prior Year Quality Educator Entitlement		(3a)	
b	Current Year Quality Educator Entitlement		(3b)	
c	Increase in Quality Educator Entitlement	3b-3a, but not less than	(3c)	
	zero			
d	Prior Year Indian Ed for All Entitlement		(3d)	
e	Current Year Indian Ed for All Entitlement		(3e)	
f	Increase in Indian Ed for All Entitlement	3e-3d, but not less than	(3f)	
	zero			
g	Prior Year American Indian Achievement Gap Entitlement		(3g)	
h	Current Year American Indian Achievement Gap Entitlement		(3h)	
i	Increase in Achievement Gap Entitlement	3h-3g, but not less than	(3i)	
	zero			
j	Prior Year At- Risk Entitlement		(3j)	
k	Current Year At-Risk Entitlement		(3k)	
l	Increase in At-Risk Entitlement	3k-3j, but not less than	(3l)	
	zero			
m	Prior Year Data for Achievement Entitlement		(3m)	
n	Current Year Data for Achievement Entitlement		(3n)	
o	Increase in Data for Achievement Entitlement	3n-3m, but not less than	(3o)	
	zero			
p	Prior Year Basic DSA Entitlement		(3p)	
q	Current Year Basic DSA Entitlement		(3q)	
r	Increase in Basic Entitlement	3q-3p, but not less than	(3r)	
	zero			
s	Prior Year Per-ANB DSA Entitlement		(3s)	
t	Current Year Per-ANB DSA Entitlement		(3t)	
u	Increase in Per-ANB DSA Entitlement	3t-3s, but not less than	(3u)	
	zero			
	1) Sum of Increases in State Funding	[3c + 3f + 3i + 3l + 3o + 3r +	(3v)	
	3u]			
	2) Prior Year Adopted General Fund Budget	Budget Data Sheet Line	(3w)	
	10d			
	(DO NOT include budget amendments)			
	3) Adjusted Prior Year Adopted Budget	(3v +	(3x)	
	3w)			
4	FY2016 Highest Budget	greater of (2) or	(4)	
	(3x)			
5	FY2016 Minimum Budget is BASE		(5)	
6	FY2016 Highest Budget WITHOUT A VOTE			
	BASE	(Line		
	1)		(6a)	
	Plus: Highest Levy Over-BASE Authorized Or Imposed Between			
	FY2011 and FY2015.	Budget Data Sheet, Line 10e or p.		
	22(i)		(6b)	
	Plus: Fund balance reappropriated and non-levy revenue available to, fund			

Over-BASE area after funding BASE. (Note: It will be rare to have an amount here. BASE levy will be zero when an amount is available to use in this field.)

(6c)

Plus: Other Non-Levy Revenues to fund **Over-BASE**

(6d)

Plus: Excess reserves used to fund **Over-BASE**

(6e)

Plus: Tuition Revenue to fund **Over-BASE**

(6f)

Plus: Flexible Non-Voted Levy Authority to fund **Over-BASE**

(6g)

TOTAL

Sum of (6a) through

(6g)

(6h)

Highest Budget Without a Vote:

Lesser of (6h) or

(4)

(6)

Largest Voted Amount Possible

Line (4) minus Line (6), but not less than

(7)

7 zero

Proposed FY2016 General Fund Budget

Cannot exceed line

(8)

8 (4)

Amount Requiring Voter Approval i.e., must vote the dollar increase in Over-BASE levies

Line (8) minus Line

(9)

9 (6)

BUDGETING NON-LEVY REVENUE FOR THE GENERAL FUND BASE

Estimating General Fund Non-Levy (i.e., non-tax) resources for the FY 2016 budget. 20-9-141,MCA

Code	Description	Comments	FY2016 Amount
ACTUAL - The following revenues MUST BE anticipated on the budget form USING ACTUAL PY receipts			
1130	Tax Title/Property Sales		
1510	Interest Earnings		
1800	Community Services. Activities		
1900	Other Revenue – District	Miscellaneous revenue	
1910	Rentals – Building and Equip		
1920	Contributions/Donations	Not usually a general fund item	
1940	Textbook Sale/Rental		
1945	Resale of Supplies/Materials		
1950	Services to Other Schools/Coops		
1960	Services to Other Govts		
1970	Services to Other Funds		
1981	Summer School Revenues		
3302	State PILT, FWP		
Total Actual (Enter on page 27, line 5a)			
ANTICIPATED - The following types SHOULD BE ESTIMATED using the best information available			
0171	MT Oil and Gas Production tax Funding the BASE Budget (3460 revenue in the BASE)	In FY 2016 a district is required to estimate 25% of actual FY 2015 tax receipts deposited to ALL funds. Of this total amount, at least 50% must fund the BASE. The remainder may be used to fund the Over-BASE. Exceptions Apply *	
1123	Coal Gross Proceeds	Dept of Rev sends eligible districts an estimate in May	
3444	School Block Grant (HB124) The OPI will distribute 70% in November, 30% in May.	Equals FY 2015 actual receipts plus increase from SB96 ongoing amounts.	
3445	Combined Fund School Block Grant (SB424)	The total combined school block grant must be allocated, at the trustees' discretion, among budgeted funds. The amount available for FY 2016 is the FY 2015 actual receipts. <u>OPI recommends allocating 0.00 to the General Fund, as this could reduce GTB.</u>	
9100	Other Revenue	Use for any revenue type for which a code is not provided on budget, but you want to anticipate.	
9710	Residual Equity Transfers-In	Use if you expect to close a fund to the general fund, have receipts from closed or annexed school, etc.	
4800	Federal PILT	Rare	
Total Anticipated (Enter on page 27, line 5b)			
OTHER - MAY BE estimated - NOT RECOMMENDED due to ability to hold receipts as Excess Reserves			
1117	District-Prior Year Taxes	Allowed as excess reserves	
1118	Dist. Dept. of Rev Tax Audit	Allowed as excess reserves	
1190	Penalties and Interest on Taxes	Allowed as excess reserves	
Total Other (Enter on page 27, line 5c)			

* Exceptions to Estimating Oil and Gas revenue:

- Districts with a maximum general fund budget of less than \$1 million.
- Districts whose oil and gas revenue combined with its adopted general fund budget total 105% or less of its maximum general fund budget.
- Districts with a maximum general fund budget of \$1 million or more and have an approved anticipated unusual enrollment increase.
- Districts that have issued outstanding oil and gas revenue bonds (oil and gas revenue must be applied

toward debt service payment first).

BUDGETING NON-LEVY REVENUE FOR THE GENERAL FUND OVER BASE

Tuition Revenue Used to Fund the Over-BASE Budget			
1310	Tuition from Individuals	For attendance in the budget year	
1320	Tuition from In-State Schools	Usually, for attendance in the prior year. Includes tuition rec'd from another in-state district or the state/county.	
1330	Tuition from Out-of-State Schools	Usually, for attendance in the prior year. Includes tuition rec'd from an out-of-state district or another state.	
3117	State Placement Tuition		
13b) Total Tuition to Fund Over-BASE(Enter on page 27, line			
Oil and Gas Revenue to fund the Over-BASE:			
0172	MT Oil and Gas Production tax (3460 revenue in the OverBASE)	In FY 2016 a district is required to estimate 25% of actual FY2015 tax receipts deposited to ALL funds. Of this total amount, at least 50% must fund the BASE. The remainder may be used to fund the Over-BASE. Exceptions Apply *	
Flexible Non-Voted Levy Authority to fund the Over-BASE:			
	Flexible Non-Voted Levy Authority (FNVLA)	Levy authority in the Transportation Fund (10), Bus Depreciation Fund (11), Tuition Fund (13), and the Adult Ed Fund (17) may be transferred to the General Fund (01) to fund the Over-Base	
13c) Total Over BASE Oil & Gas and FNVLA (Enter on page 27, line			

* Exceptions to Estimating Oil and Gas revenue:

- Districts with a maximum general fund budget of less than \$1 million.
- Districts whose oil and gas revenue combined with its adopted general fund budget total 105% or less of its maximum general fund budget.
- Districts with a maximum general fund budget of \$1 million or more and have an approved anticipated unusual enrollment increase.
- Districts that have issued outstanding oil and gas revenue bonds (oil and gas revenue must be applied toward debt service payment first).

GENERAL FUND GUARANTEED TAX BASE AID GTB RATIOS AND SUBSIDIES

This schedule can be used to verify the Weighted GTB subsidy reported on the Budget Data Sheet.

I. STATEWIDE GTB RATIO		FY 2016	
(a) Statewide taxable valuation (Tax Year 2014) *		\$2,474,873,911	
(b) FY 2015 Statewide GTB subsidized budget area for <u>elementary</u> districts: 35.3% of the Basic Entitlement + 35.3% of the Per-ANB Entitlement + 40% of special education allowable cost payments to elementary districts (including prorated coop costs)		\$226,267,684.70	
(c) FY 2015 Statewide GTB subsidized budget area for <u>high school</u> districts: 35.3% of the Basic Entitlement + 35.3% of the Per-ANB Entitlement + 40% of special education allowable cost payments to high school districts (including prorated coop costs)		\$121,936,088.51	
(d) Elementary GTB ratio	[(a) divided by (b)] x 193%	21.11	
(e) High School GTB ratio	[(a) divided by (c)] x 193%	39.17	
II. DISTRICT GTB SUBSIDY:		Elementary	High School
(a) Statewide GTB ratio [elementary from (d) above, or high school from (e) above]		21.11	39.17
(b) FY 2015 District GTB subsidized budget area: 35.3% of the Basic Entitlement + 35.3% of the Per-ANB Entitlement Budget Data Sheet, Page 3			
(c) 40% of (FY 2015 District special education allowable cost payment plus district prorated coop cost payment) Budget Data Sheet, Page 3			
(d) District's FY 2016 GTB (a) x [(b)+ (c)]			
(e) District taxable valuation (Tax Year 2014) ** Budget Data Sheet, Page 3			
(f) If (d) is greater than (e), then: District's FY 2016 GTB subsidy per BASE mill [(d-e) x .001] Round to XX.XX			
		Enter GTB subsidy per mill on page 27, line 8(a) or 8(b)	

*A final determination of the Taxable Value by the Department of Revenue based on information delivered to the County Clerk and Recorder as required in 15-10-305, MCA (December) . Tax Increment Districts are excluded from taxable valuations used in GTB calculations.

--See Budget Data Sheet, Page 3 for district's certified GTB subsidy.

--GTB ratios for the ensuing year are calculated using prior year taxable values and GTB subsidized area.

--GTB ratios on I(d) and I(e) are rounded to two decimal places.

--GTB ratios for K-12 districts are calculated separately as Elementary and High School Programs.

CALCULATING GENERAL FUND LEVIES

Funding the BASE Budget			
1. Proposed FY 2016 General Fund Budget	pg 23, Line 8	(1)	
2. BASE Budget	FY 2016 BASE from pg 23, line 1	(2)	
3. a. DSA	[0.447 X page 20, lines (a + b)]	(3a)	
b. Special Education Allowable Costs Funding	pg 19, Line (d)	(3b)	
c. Quality Educator Component	Budget Data Sheet, Line 3 [FTE X \$3,113]	(3c)	
d. At Risk Component	Budget Data Sheet, Line 4	(3d)	
e. Indian Ed. For All Component	[Budget Limit ANB X \$20.88] minimum \$100.00	(3e)	
f. American Indian Student Achievement Gap Component	[Indian Students X \$205.00]	(3f)	
g. Data for Achievement Component	[Budget Limit ANB X \$20.00]	(3g)	
4. a. Total Unreserved Fund Balance for Budgeting		(4a)	
b. Prior Year "Excess Reserves" Used to Fund Over-BASE Budget		(4b)	
c. Unreserved Fund Balance for Funding BASE and Over-BASE	[Line 4a - Line 4b]	(4c)	
5. Non-Levy Revenues DO NOT Enter Tuition Revenue unless Over-BASE budget = 0			
a. Total Actual	See pg 24	(5a)	
b. Total Anticipated	See pg 24	(5b)	
c. Total Other	See pg 24	(5c)	
d. Total Non-Levy Revenues for BASE	[Line 5a + Line 5b + Line 5c]	(5d)	
6. Tax Levy and GTB Needed to Fund BASE Budget [Line 2 - Line 3a - Line 3b - Line 3c - Line 3d - Line 3e - Line 3f - Line 3g - Line 4c - Line 5d]	If < 0, enter 0	(6)	
This section is for K-12 Districts only			
a. ELEM Portion of Tax and GTB in BASE	[Line 6 X p. 21, Line (y1)]	(6a)	
b. HS Portion of Tax and GTB in BASE	[Line 6 X p. 21, Line (y2)]	(6b)	
7. District Mill Value	[Estimate using most updated Taxable Value X .001]	(7)	
8. a. ELEM Weighted GTB per BASE Mill	Budget Data Sheet, pg 3	(8a)	
b. HS Weighted GTB per BASE Mill	Budget Data Sheet, pg 3	(8b)	
9. a. ELEM Adjusted Mill Value	[Line 7 X Line 8a]	(9a)	
b. HS Adjusted Mill Value	[Line 7 X Line 8b]	(9b)	
K-12 Districts use 10(a) and 10(b) all other Districts (ELEM & HS) use 10(c)			
10.a. K-12 ELEM BASE Mills Required	[Line 6a divided by Line 9a] Round to XX.XX	(10a)	
b. K-12 HS BASE Mills Required	[Line 6b divided by Line 9b] Round to XX.XX	(10b)	
10 c. BASE Mills Required	[Line 6 divided by (Line 9(a) + 9(b))] Round to XX.XX	(10c)	
Funding the Over-BASE Budget (Includes any Over-Maximum Budget)			
11. Amount Budgeted Over-BASE	[Line 1 - Line 2]	(11)	
12. Prior Year General Fund "Excess Reserves" Used to Fund the Over-BASE Budget	Line 4b	(12)	
13. a. Fund Balance and Non-Levy Revenues Available to Fund the Over-BASE Budget [Line 3a + Line 3b + Line 3c + Line 3d + Line 3e + Line 3f + Line 3g + Line 4c + Line 5d + Line 6 - Line 2]		(13a)	
b. Total "Tuition to Fund Over-BASE"	See pg 25	(13b)	
c. Flexible Non-Voted Levy Authority (FNVLA) & Oil&Gas to OverBASE	See pg 25	(13c)	
14. Tax Levy Needed to Fund Over-BASE Budget [Line 11 - Line 12 - Line 13a - Line 13b - Line 13c]		(14)	
15. Over-BASE Mills Required	[Line 14 divided by Line 7] Round to XX.XX	(15)	

--Add Mandatory Non-Isolated Mill Levy here, if applicable. 20-9-303,MCA Number of mills equals
 [(Line 3a divided by 2) divided by Line 7]. This applies only to Non- Isolated Elem. districts with less than 10 ANB.

CALCULATING GENERAL FUND LEVIES (continued)

Are Funding Sources Adequate to Cover Budget?			
16. a. DSA	Line 3a	(16a)	
b. Special Education Funding	Line 3b	(16b)	
c. Quality Educator Component	Line 3c	(16c)	
d. At Risk Component	Line 3d	(16d)	
e. Indian Ed. For All Component	Line 3e	(16e)	
f. American Indian Student Achievement Gap Component	Line 3f	(16f)	
g. Data for Achievement Component	Line 3g	(16g)	
h. Natural Resources Development Payment	estimate from prior year amount	(16h)	
i. Unreserved Fund Balance	Line 4a	(16i)	
j. Prior Year Excess Reserves Reappropriated to Fund Over-BASE	Line 12	(16j)	
k. Non-Levy Revenues (including OB NLR's)	[Line 5d + Line 13b + Line 13c]	(16k)	
l. Guaranteed Tax Based Aid	[Line 8(a) X Line 10(a)] + [Line 8(b) X Line 10(b)]	(16l)	
m. BASE Levy Tax Revenues	[Line 7 X (Line 10(a) + 10(b))]	(16m)	
n. Over-BASE Levy Tax Revenues	[Line 7 X Line 15]	(16n)	
o. TOTAL FUNDING SOURCES (Must = Line 1, may vary slightly due to rounding) If funding sources exceed total budget, BASE levy and Over-BASE levy must equal -0-.	[Sum Lines 16a through 16n]	(16o)	
17. TOTAL GENERAL FUND MILLS	[Line 10(a) + Line 10(b) + Line 15]	(17)	

--Add Mandatory Non-Isolated Mill Levy here, if applicable. 20-9-303, MCA, Number of mills equals [(Line 3a divided by 2) divided by Line 7]. This applies only to Non- Isolated Elem. districts with less than 10 ANB.

ESTIMATING THE TAX IMPACT OF MILL INCREASES FOR SCHOOL BALLOT ISSUES

15-10-425, MCA requires that ballots for levy elections must state the estimated tax impact of the proposed ballot issue on the taxes assessed on a home with a market value of \$100,000 or \$200,000. OPI's budgeting spreadsheets, available at http://www.opi.mt.gov/Finance&Grants/schoolfinance/Index.html?gpm=1_5&pnl=4_3 will also perform these calculations. This applies to the ballot for the general fund levy election.

This example shows how to calculate the tax impact of a FY 2016 general fund levy increase of \$6,800 on a house valued at \$100,000 and \$200,000. This example assumes an elementary district is proposing a tax increase from \$35,700 to \$42,500 and that taxable valuation was \$1,000,000 for tax year 2014 and is estimated to be \$1,000,000 for tax year 2015.

(a) Home with Market Value of:		\$ 100,000	\$ 200,000
(b) Less: Residential Exemption for Tax Year 2014 15-6-222, MCA	-- 47.00%	\$47,000.00	\$94,000.00
(c) Equals: Market Value after Exemption	[line a – line b]	\$53,000.00	\$106,000.00
(d) Times: Assessment Rate 15-6-134, MCA	2.47%	0.0247	0.0247
(e) Equals: Taxable Valuation	[line c X line d]	\$1,309.10	\$2,618.20
(f) Estimated Mills for Ballot for FY 2014-15 Over-BASE Budget *	42.50 mills	Example	
Proposed mills for FY 2016:		Elem Mills	
		HS or K-12 Mills	
$\frac{\text{FY 2016 Actual Over-BASE Levy Amt.}}{\text{(2015 Taxable Valuation X 0.001)}} = \frac{42,500}{(1,000,000 \text{ X } 0.001)} = 42.50$			
(g) Actual Mills from Prior Year (FY 2015) Over-BASE Budget **	35.70 mills	Example	
		Elem Mills	
		HS or K-12 Mills	
$\frac{\text{FY 2015 Actual Over-BASE Levy Amt.}}{\text{(2014 Taxable Valuation X 0.001)}} = \frac{35,700}{(1,000,000 \text{ X } 0.001)} = 35.70$			
(h) Proposed Increase (Decrease) in Mills	[42.50 – 35.70]	6.80 mills	Example
			Elem Mills
	[line f – line g]		HS or K-12 Mills
(i) Impact of Proposed Tax Increase	[6.80 X 1,309.10 X 0.001]	Example	\$8.90
		Elementary	
	[line h X line e X 0.001]	HS or K-12	

* For a general fund election, the proposed mills would be the number of Over-BASE mills needed to support the budget for the coming year. For other types of school elections, enter the estimated number of mills estimated to be levied if the election passes.

** For a general fund election, this amount would be the number of Over-BASE mills raised to support the prior year's general fund budget (Final Budget form, Line (V-K) or Budget Data Sheet, Line 4e). For other types of school elections, enter the number of mills levied for the fund for the prior year.

Other requirements of 15-10-425, MCA:

- Disclosure requirements apply to a regular or special school election that proposes to impose or raise a mill levy.
- The ballot under 15-10-425, MCA, must include: specific purpose for which the money will be used, specific amount to be raised, approximate number of mills required, and durational limit, if any (i.e., If the law allows you to run the election once to levy for a stated number of years, state that number of years. Otherwise, the election applies for one year only.)
- The ballot must state the tax impacts for homes valued at \$100,000 and \$200,000 and MAY ALSO state the tax impact for a home of another value.

BALLOTS AND PROPOSITIONS

(a) Proposed Over-BASE Levy	Page 27, Line 14	
(b) Minus: Highest levy Over Base authorized or imposed between FY11 and FY15	Page 22, Line (i) or Budget Data Sheet, Line 10e	
(c) Equals: (If <0, enter Zero) Amount of Voted Tax Levy <u>Increase</u> needed to support the Over-BASE Budget	[(a) minus (b)]	Insert at *A
(d) Divided by: District Mill Value (see Note 1 below)	[Taxable Value X 0.001] or page 27, Line 7	
(e) Equals: Total Number of Over-BASE Mills Needed for Ballot	[(c) divided by (d)]	Insert at *B

Example Ballot for Districts -- Insert items above where indicated.

<p>PROPOSITION</p> <p>Shall the district be authorized to impose an increase in local taxes to support the general fund in the amount of \$ _____ *A _____ which is approximately _____ *B _____ mills for the purpose of _____? Passage of this proposal will increase the taxes on a home with a market value of \$100,000 by approximately \$ _____ *C _____ and on a home with a market value of \$200,000 by approximately \$ _____ *D _____. The durational limit of the levy is permanent once approved by the voters, assuming the district levies that amount at least once in the next five years.</p> <p><input type="checkbox"/> FOR the additional levy.</p> <p><input type="checkbox"/> AGAINST the additional levy.</p>

*C and *D come from p. 29.

--See page 10 for discussion of taxable valuation and mill values.